



**Director of
Central
Intelligence**

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CANADA-US: Trudeau's Visit

Prime Minister Trudeau probably will emphasize bilateral economic issues, the need for progress in US-Soviet arms control negotiations, and US involvement in Central America when he visits Washington this week. []

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Last week the Canadian Government presented the new federal budget, which primarily was designed to strengthen the financial position, growth prospects, and job creation capacity of the private sector. It has been widely characterized in the press as a "Tory budget" because it departs from the Liberal tradition of large-scale government involvement in, and direction of, the economy. []

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Comment: The new budget will help Canada's incipient economic recovery. Nonetheless, Trudeau probably will urge US government and business leaders to take actions aimed at further reducing US interest rates, which Ottawa considers the key to a durable recovery. He also will delineate Canada's firm opposition to any measures that would impede the growth of East-West trade. []

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Trudeau is faced with continuing public opposition to the testing of US air-launched cruise missiles in Canada, and he recently has linked his government's willingness to permit testing to progress in US-Soviet arms control talks. Although Ottawa's ultimate approval remains likely, Trudeau probably will continue to avow publicly that Canada has not yet decided to sanction the tests. []

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The Prime Minister also will seek some clarification of US intentions in the Caribbean Basin, where Canadian banks have significant investments and Ottawa has foreign aid programs. Trudeau has refused to eliminate aid programs to Caribbean Basin countries simply because they are leftist, and he has condemned interference in the region by any major power. He probably will continue his public criticism of US involvement in the dispute between El Salvador and Nicaragua. []

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TURKEY: Political Activity Resuming

Turkey is moving closer to civilian rule as the military government over the weekend announced the resumption of political activity. []

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The generals, anticipating the formation of political parties and the start of campaigning for the parliamentary election slated for October, have made clear they will not tolerate the rhetorical excesses and violence that have characterized past contests. The military council also has reviewed its ban on ideologically extreme parties and religious parties. A proposed electoral law now under consideration in the Consultative Assembly would limit the number of parties to two or three. []

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Prime Minister Ulusu had been the leading candidate to form a conservative, military-backed party, but he has announced he will not do so. []

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Politicians of all persuasions are urging the generals to postpone the election until next spring. There is widespread concern that the time remaining before October will not be enough to organize parties and conduct credible campaigns. []

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Comment: The generals continue to be apprehensive, but they apparently believe their constitutional framework provides adequate safeguards against political turmoil. Although they are aware of the concerns about the lack of time to prepare for a campaign, they appear determined to hold an election this fall. []

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JAMAICA: Seaga's Declining Political Prospects

Prime Minister Seaga and his Labor Party apparently still trail in the opinion polls behind the opposition led by former Prime Minister Manley. []

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A well-regarded poll conducted in mid-April says the charismatic Manley and his People's National Party continue to lead 51 to 48 percent. Seaga is being blamed by many for not improving the economic situation, and he trails Manley in personal popularity 37 to 43 percent. Although the poll indicates Manley would win if a vote were held now, the government is not required to call an election before late 1985. []

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Manley's party is having financial difficulties. Contributions are down, largely because party moderates and former supporters in the business community remain skeptical of Manley's claims to have eliminated leftwing influence from the party. []

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Comment: Support for the Labor Party remains fragile, although it has not lost much ground since a poll last October. Seaga's inability to alleviate economic hardships has damaged his reputation as an economic expert. []

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Memories of Manley's own failures are fading. With adequate funds to capitalize on economic discontent and on the organizational disarray in the ruling party, Manley is likely at least to be able to make inroads into Seaga's dominant position in Parliament. []

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PAKISTAN-AFGHANISTAN-USSR-UN: Talks Recess

The second round of UN-sponsored indirect talks in Geneva on Afghanistan recessed last week until 16 June. UN officials say the Pakistani and Afghan representatives agreed the UN High Commissioner for Refugees should consult refugees on terms for possible repatriation.

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Comment: The latest talks made enough progress to allow Islamabad and Moscow to appear flexible, but neither side seems prepared to compromise. Consulting the refugees will expose the lack of consensus among both the refugees and the Afghan insurgents.

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SWEDEN-USSR: Submarine Commission Report

The US Embassy reports that the Swedish Government will issue its official report today claiming Soviet submarines have been violating Swedish waters and that it will follow up with a diplomatic protest to the USSR. The report will state the Soviets are engaged in reconnaissance and training activity and in preparations for military operations in wartime. Stockholm also will specify that there is no evidence of intrusions by NATO submarines. There are indications that the Swedes informed the Soviet Embassy of the report's findings last week and that the Soviets were taken by surprise.

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Comment: Moscow will feel compelled to rebut the public accusation and to reject the official protest. Soviet media may draw on recent Swedish press reports of intrusions by NATO submarines to deflect attention from the USSR's own operations and to support the Soviets' standard allegations about a US and NATO threat to Sweden's neutrality. Moscow probably hopes the public controversy will die down quickly in order to avoid serious damage to bilateral relations.

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JAPAN: Local Election Results

Candidates backed by the ruling Liberal Democratic Party won overwhelmingly in the second round of local elections on Sunday. Prime Minister Nakasone publicly has played down any connection between the victories and the timing of national elections, but the media speculate that the results probably will prompt him to call early elections for the lower house of the Diet. Upper house elections already are slated for 26 June. [redacted]

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Comment: Nakasone has to decide within a few weeks whether to call double elections. A decision to do so could work in his favor by allowing him to exploit media coverage of his coming trips to the ASEAN countries and to the Williamsburg Summit. In addition, opposition parties are short of campaign funds, and the Japanese press continues to highlight the recent spy scandal, charging that leading Socialist Party members acted as Soviet agents. [redacted]

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SPAIN-US-NATO: Use of Gibraltar

Prime Minister Gonzalez has asked that US and NATO forces not use Gibraltar during an impending ASW exercise in the approaches to the Mediterranean. Gonzalez says he would support Spanish-NATO exercises and use of Spanish ports by US warships exercising in the area. Conspicuous use of Gibraltar by other countries, however, would further irritate the Spanish public, which is already upset by a visit of British warships to Gibraltar in mid-April. [redacted]

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Comment: In view of Spanish sensitivity, Gonzalez's suspicions about the US, and lingering questions among the public about the value of military ties to the West, major operational use of Gibraltar during the exercise probably would provoke more criticism. Gonzalez's interest in developing good mutual understanding with the US makes it unlikely, however, that US use of Gibraltar in the exercise would seriously harm bilateral relations. [redacted]

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SAUDI ARABIA: Minister Dismissed

Minister of Information Muhammad Abduh Yamani, who was fired on Sunday, is the first high-level official to be dismissed since King Fahd ascended the throne last June. The King reportedly has named Ali Hassan al-Sha'ir, the current Saudi Ambassador to Lebanon, as Yamani's replacement. [redacted]

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Comment: Fahd probably hopes the dismissal will reduce criticism by members of the royal family and by senior bureaucrats of his slowness to make needed cabinet changes. The change carries little political risk for the King because Yamani seems to have no strong supporters and is widely viewed as incompetent. Fahd's critics, however, may now push harder for other and more politically difficult changes. [redacted]

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NORTH KOREA-SEYCHELLES: Military Advisers Arrive

Some 24 North Korean military advisers have arrived in Seychelles during the past several weeks, according to the US Embassy. [redacted]

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Comment: It is not clear whether additional North Koreans will be arriving. Rene has little confidence in the approximately 200 Tanzanian troops on whom he has depended for security up to now, and he probably believes that North Koreans will be more reliable. The President currently is on a trip to North Korea and China and is likely to ask P'yongyang for additional troops, particularly if he concludes that Tanzania intends to proceed with plans to withdraw its forces by the end of the year. The North Koreans probably are unwilling, however, to provide a large contingent or to assume more than an advisory role. [redacted]

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PORTUGAL: Election Outcome

The Socialist Party won the greatest number of seats in the parliamentary election in Portugal yesterday but fell short of a majority that would enable it to govern alone. With 70 percent of the returns in, the Socialists led with 36 percent of the votes, and the Social Democrats—senior partner of the last coalition—followed with 27 percent. The Communist Party ran third with about 18 percent—slightly less than it had in 1980—and the Center Democrats—who governed with the Social Democrats from 1979 until this election—held 12 percent. Socialist leader Soares announced his party would not serve in a minority status and must hold a party “referendum” to clear the way for a parliamentary alliance. [REDACTED]

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Comment: The next government is not likely to end the political instability that has characterized Portugal since 1974. The country faces severe economic problems, and the new government must adopt unpopular austerity measures to combat a growing current account deficit and inflation. US-Portuguese relations would remain strong under a Socialist-led administration, but there may be some problems in working out military agreements, particularly on US use of Portugal's mainland facilities. [REDACTED]

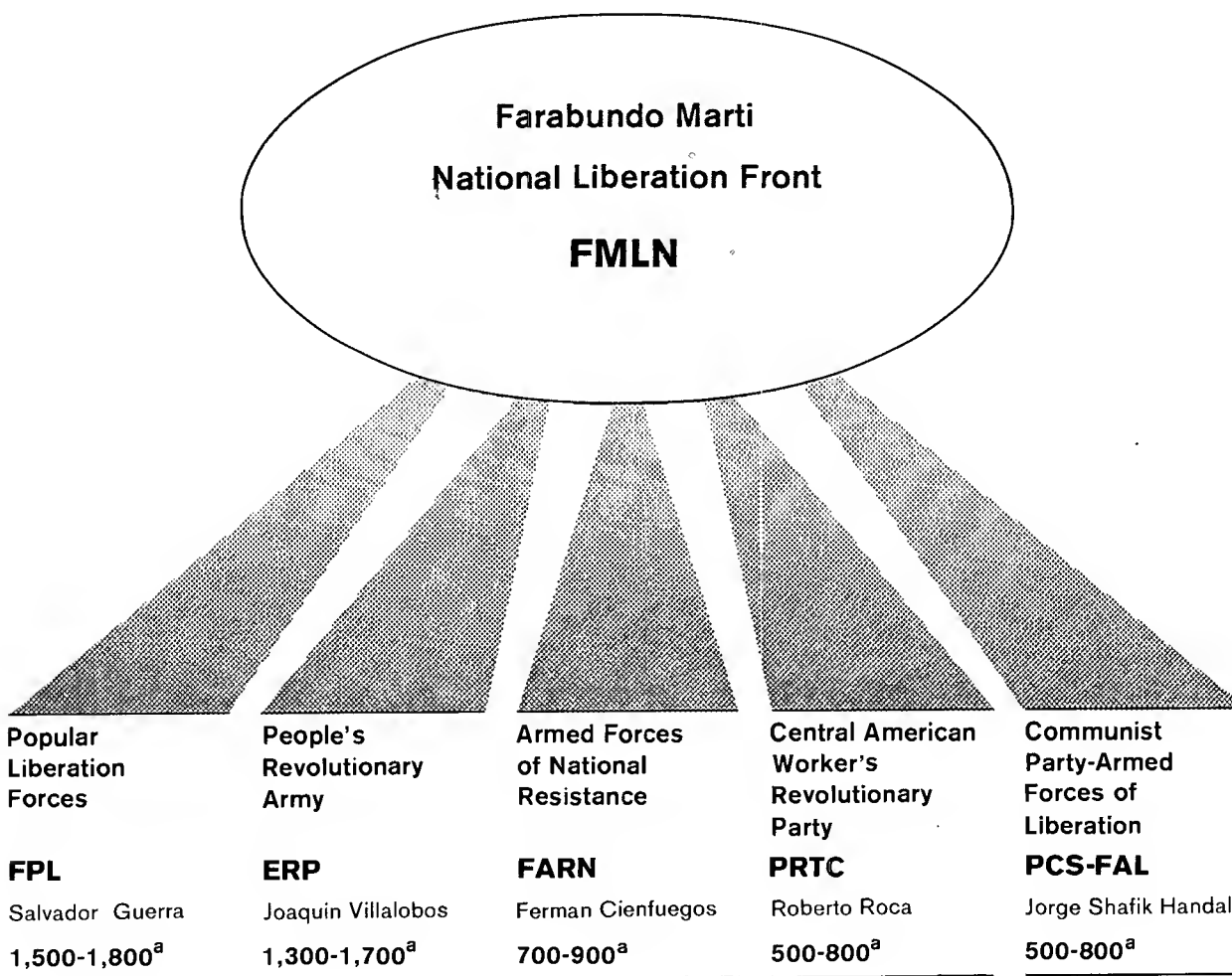
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El Salvador: Factions of the Insurgent Alliance

Note: Each factional leader serves on
General Command of FMLN.

^aEstimated Strength.

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Special Analysis

EL SALVADOR: Prospects for Guerrilla Leadership

The turmoil in guerrilla ranks caused by the recent deaths of two top commanders in Managua offers the potential for a power shift in the insurgent alliance. Although the short-term implications for the guerrillas appear largely adverse, a political struggle resulting in the eventual domination by one faction could over time strengthen the insurgents' military prospects.

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Cayetano Carpio and Melida Anaya were the preeminent leaders of the Popular Liberation Forces, the largest and most doctrinaire of the five Marxist-Leninist guerrilla organizations. Their loss not only weakens the faction but also opens a leadership gap in the insurgent alliance as a whole. Other factions will be likely to try to expand their political and military influence.

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Short-Term Effects

The five factions—in concert with the Cubans and Sandinistas—are trying to reduce damage to their image of unity at home and abroad. Recent public announcements by individual insurgent spokesmen have emphasized cooperation among the guerrilla organizations and have pledged increased military efforts against the government.

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The reaction of insurgents in El Salvador to the deaths is unknown, but field units almost certainly will be anxious over the direction of leadership in Managua and over military tactical relationships among the factions. The Popular Liberation Forces recently appeared to be making serious efforts to coordinate military operations with other factions, and the deaths of Carpio and Anaya may interrupt this process. Nevertheless, the current offensive strategy of all factions suggests field commanders of the Popular Liberation Forces may be instructed by their new leadership to continue working with the other groups toward large-scale operations against economic and military targets.

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New Leaders

The positions held by Carpio and Anaya probably will be delegated to a number of junior leaders about whom little is known.

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Long-Term Implications

The Popular Liberation Forces could strengthen itself under the new leaders, thereby retaining its influence over the other factions. It appears more likely, however, that the new leaders will be unable to control the faction's chronic dissension. Moreover, the vacuum left by the death of Carpio, who was regarded by regional leftists as the "Ho Chi Minh of Central America," probably will inspire other factions to challenge the Popular Liberation Forces' dominance in the alliance.

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The major challenger would be the radical People's Revolutionary Army, which reportedly rivals the Popular Liberation Forces in size. The Army is led by the ambitious Joaquin Villalobos.

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The People's Revolutionary Army aspires to control the insurgent movement, and it has been the most active militarily over the past year. Its actions include spectacular acts of sabotage, takeovers of towns, and skillful ambushes of government units.

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Prolonged disputes among the factions would hamper the guerrilla war effort, but the eventual supremacy of the People's Revolutionary Army could result in a more aggressive overall guerrilla effort. The Army's leadership probably would be more successful than the Popular Liberation Forces in strengthening cooperation with other factions and in dictating tactics and strategy throughout the country.

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